Approved For Release 2000/08/27 CIA REPTS B0 0800 R000 600120010-6

1 9 JAN 1973

MEMORANDUM FOR: Legislative Counsel

ATTENTION

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STATINTL

SUBJECT

: The Federal Civilian Loyalty Program

- 1. In response to your request of 11 January 1973, we have reviewed the Report by the Subcommittee on Loyalty-Security of the House Committee on Internal Security.
- 2. We note that the recommendations for a new program differs from Executive Order 10450 in three areas. These areas are set forth below with our comments:
 - a. The establishment of a training school for Personnel Security Officers----It is our belief that the training of administrative personnel as recommended would not apply to the Agency. The Agency does its own training, and would not want to participate in a central training school.
 - b. Centralized direction based in the Office of the President, with a wide authority to oversee the loyalty program----It is felt that the Agency's loyalty program should continue to function under its present statutory authority because of the nature of its overt and covert activities, and the extremely sensitive responsibilities of Agency employees.

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- c. The new "National Security" and "National Interest" approach to the identification of sensitive positions ---- It is our opinion that differentiations of this nature would not be pertinent to the Agency, because all Agency positions are by statute designated as sensitive.
- 3. The National Security Act of 1947 grants the Director of Central Intelligence the authority to terminate the employment of any employee when deemed "necessary or advisable in the interest of the United States." Given the exempted status of the Agency under these statutes, it does not appear that the recommendations of the Subcommittee would be applicable to the Agency.
- 4. It is recommended that the DCI response to the Chairman, House Committee on Internal Affairs, indicate a neutral position with regard to the Report citing our own statutory authorities.

Howard J. Osborn
Director of Security

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| SUBJECT: (Optional) | | | | | |
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| FROM: | | EXTENSION | NO. | | |
| Office of Legislative Counsel | | | 73-0059 | | |
| | | | | 29 January 1973 | |
| TO: (Officer designation, room number, and building) | DATE | | OFFICER'S | COMMENTS (Number each comment to show from who | |
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| D/Security | | | | Would you be kind enough to | |
| 2. | | | | give us your comments on the | |
| OLC | | | | attached proposed reply to | |
| 3. | | | ٠ | Representative Ichord. Your earlier recommendations on | |
| | | | | which the proposed reply was | |
| 4. | | | | based and Representative | |
| | | | | Ichord's request are attached. | |
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